

Ross P. Meyer (028473)

Ross@EnaraLaw.com

Morgan E. Silva (039166)

Morgan@EnaraLaw.com

Enara Law PLLC

7631 East Greenway Road, Suite B-2

Scottsdale, Arizona 85260

Telephone: (602) 687-2010

Filings@EnaraLaw.com

Attorneys for Plaintiff

UNITED STATES DISTRICT COURT

DISTRICT OF ARIZONA

Valentino Dimitrov, individually, and on
behalf of all others similarly situated;

Plaintiff,

vs.

Stavatti Aerospace, Ltd, a Minnesota
corporation; et al.

Defendants.

Case No.: 2:23-CV-00226-PHX-DJH

**REPLY IN SUPPORT OF MOTION
FOR SUMMARY JUDGMENT
AGAINST BRIAN COLVIN**

1 Plaintiff Valentino Dimitrov (“Mr. Dimitrov”) hereby submits his Reply in Support
 2 of his Motion for Summary Judgment against Brian Colvin (“Mr. Colvin”) (Doc. 68),
 3 supported by the entire record and the following Memorandum of Points and Authorities.

4 **I. FACTUAL BACKGROUND**

5 On July 29, 2025, Mr. Dimitrov filed his Motion for Summary Judgment (the
 6 “Motion”) against Stavatti Aerospace, Ltd. (“Stavatti Aerospace”), Christopher Beskar
 7 (“Mr. Beskar”) and Mr. Colvin on his RICO claim based on the Promissory Note he
 8 signed, for which Mr. Dimitrov loaned \$1 million to Stavatti Aerospace (the “Principal”).
 9 (Doc. 68-1, at 2-3); (Doc. 68-2, at 9, No. 13); (Doc. 68-3, at 25:18-22, 28:16-20, 35:21-
 10 36:2, and 42:8-12). Mr. Dimitrov’s Motion requested summary judgment against Mr.
 11 Colvin for conducting his duties for Stavatti Aerospace with a pattern of racketeering for:
 12 1) participating in a scheme or artifice to defraud; 2) the intentional or reckless selling of
 13 unregistered securities; and 3) the intentional or reckless selling of fraudulent securities
 14 (Doc. 68, at 6:1-6).

15 On September 8, 2025, Mr. Colvin filed his Response in Opposition to the Motion
 16 (the “Response”), largely attempting to argue that he cannot be held liable for racketeering
 17 when he did not “know, understand, or believe that any of the information relating to
 18 Stavatti, the MIG Program, or the Bridge Loan was false or misleading” and based on Mr.
 19 Colvin’s reasonable care he “‘could not have known’ of any untrue statements or
 20 misleading omissions.” (Doc. 74, at 4:24-25 and 5:8-9).

21 **II. LEGAL ARGUMENT**

22 **a. Legal Standard**

23 When a moving party on a motion for summary judgment “carries its burden of
 24 production, the nonmoving party must produce evidence to support its claim or defense. .
 25 . . If the nonmoving party fails to produce enough evidence to create a genuine issue of
 26

1 material fact, the moving party wins the motion for summary judgment.” *See Nissan Fire*
2 *& Marine Ins. Co., Ltd., v. Fritz Cos., Inc.*, 210 F.3d 1099, 1103 (9th Cir. 2000) (internal
3 citation omitted).

4 **b. Mr. Colvin Did Not Exercise Reasonable Care**

5 Mr. Colvin attempts to argue that A.R.S. § 44-2001 applies because he “did not
6 know, understand, or believe that any of the information relating to Stavatti, the MIG
7 Program, or the Bridge Loan was false or misleading.” (Doc. 74, at 4:20-25). Mr. Colvin
8 correctly recites A.R.S. § 44-2001, which states:

9 A person against whom an action for a violation of § 44-1991 is brought is
10 not liable under subsection A of this section if the person sustains the burden
of proof that the person did not know and in the exercise of reasonable care
could not have known of the untrue statement or misleading omission.

11 *See* A.R.S. § 44-2001(B).

12 In his Reply, Mr. Colvin attempts to argue that he cannot be liable for violating
13 A.R.S. §§ 44-1842 or 44-1843 because: (1) he “believed in good faith at the time that the
14 Bridge Loan wasn’t a security and therefore was not subject to state or federal securities
15 law;” (2) he gave Defendant Rudy Chacon “the PPM to use when soliciting private lenders
16 for the bridge loans, including Plaintiff;” and (3) the PPM “contained all of the normal
17 and customary disclosures that are made in private placement memoranda.” (Doc. 74, at
18 4:26-5:4). However, each of the arguments raised by Mr. Colvin show he did not exercise
19 reasonable care when raising funds for Stavatti.

20 **c. A Reasonable Company Officer Would Have Understood the**
21 **Promissory Note as a Security**

22 As part of his employment in the letter of representation executed by Mr. Beskar,
23 Mr. Colvin was granted “full authorization to represent Stavatti worldwide” for tasks
24 including but not limited to “[t]he introduction and representation of Stavatti to strategic
25 partners, investors and governments,” and to assist Stavatti in the “arrangement of
26

1 funding/financing.” (Doc. 68-6, at 2); (Doc. 68-3, at 31:22-32:5). In fact, in his deposition,
 2 Mr. Beskar stated, “We made [Mr. Colvin] a vice president so he could represent Stavatti
 3 to investors.” (Doc. 68-3, at 31:22-25). Mr. Beskar also stated, “[Mr. Colvin] had the
 4 authority to solicit funds” (Doc. 68-3, at 32:11); (Doc. 68-3, at 26:10-11) (“Brian
 5 Colvin was brought in as a person to help fundraise for Stavatti”). Mr. Colvin also knew
 6 one of his duties was to raise capital for Stavatti Aerospace as indicated by the letter of
 7 representation presented to him and additional evidence on the record. (Doc. 68-6, at 2);
 8 (Doc. 68-2, 8, at No. 21).¹ In fact, Mr. Colvin admits that he was paid a finder’s fee for
 9 bringing loans into Stavatti Aerospace. (Doc. 68-18, at 3:21-25).

10 In Arizona, a security includes “any note, . . . investment contract, . . . or . . .
 11 guarantee of . . . any of the foregoing.” *See* A.R.S. § 44-1801. Mr. Colvin, as the individual
 12 responsible for raising funds and creating notes with returns and guaranteed profits, while
 13 also receiving a profit from such funds, had a duty to understand the laws of securities.
 14 Mr. Colvin cannot now claim that he had no idea that the Promissory Note was a security
 15 to escape liability. *See Eastern Vanguard Forex, Ltd., v. Arizona Corp. Com’n*, 206 Ariz.
 16 399, 414, ¶ 50, 79 P.3d 86 (Ariz. App. 2003) (stating that “the legislative directive that
 17 Arizona’s securities laws be interpreted liberally to protect the investing public requires
 18 that controlling persons [under A.R.S. § 44-1999(B)] not be allowed to avoid liability for
 19 security violations merely by proving lack of involvement with, or knowledge of, the
 20 specific violation(s).”); (Doc. 68-13, at 2). Mr. Colvin should have exercised reasonable
 21 care to determine whether the notes he was creating and providing to individuals, such as
 22 Mr. Dimitrov, were securities, and if they were, met the requirements for ensuring
 23 compliance with federal and state securities laws. *See* A.R.S. § 44-2001(B). Therefore,
 24 Mr. Dimitrov respectfully requests this Court find that Mr. Colvin’s argument, that he did

25 ¹ On February 5, 2025, this Court deemed Mr. Colvin’s Requests for Admissions
 26 admitted. (Doc. 60, at 1).

1 not know the Promissory Note was a security, is not a basis to escape the requirements
2 and duties under securities laws.

3 **d. The PPM is Irrelevant as Mr. Dimitrov was Never Given a Copy**

4 Mr. Colvin continually attempts to argue that the PPM did not contain untrue
5 statements and instead stated that Stavatti Aerospace was in the process of manufacturing
6 an aircraft or any other upgrades of an existing aircraft, and it merely represented that
7 “Stavatti had a *program* or plan to manufacture an aircraft,” therefore he did not know of
8 any false or misleading statements. (Doc. 74, at 5:25-6:2) (emphasis in original).

9 However, Mr. Colvin’s whole argument based on the PPM is irrelevant. Mr.
10 Dimitrov was never given the PPM to review prior to his execution of the Promissory
11 Note. (Doc.72-1, at 5:16-21). In fact, during his deposition, Mr. Dimitrov stated, “I never
12 looked at [the PPM]” prior to executing the loan. (Doc. 72-1, at 5:16-19). Mr. Dimitrov
13 never had a chance to review the alleged accurate information that Mr. Colvin’s saying
14 was in the PPM about Stavatti Aerospace. (Doc.72-1, at 5:16-21). Furthermore, he was
15 never given an opportunity to compare it against the Stavatti Aerospace website. (Doc.72-
16 1, at 5:16-21). Mr. Dimitrov was not given the ability to review the PPM to see whether
17 Stavatti Aerospace represented in the PPM that they were or were not in the process of
18 manufacturing an aircraft. Therefore, Mr. Dimitrov respectfully requests this Court
19 disregard all of Mr. Colvin’s arguments related to the PPM as there is no basis to find that
20 Mr. Dimitrov was provided a copy of the PPM.

21 **e. Mr. Colvin Reasonably Could have Known of the Website’s False**
22 **Statements**

23 While Mr. Beskar was the one in charge of managing the Stavatti Aerospace
24 website, Mr. Colvin could have reasonably known about the false statements contained
25 therein. *See* A.R.S. § 44-2001(B). In his deposition, Mr. Dimitrov admits that he relied on
26

1 Stavatti Aerospace's website as a determination for signing the Promissory Note. (Doc.
2 68-19, at 3:24-4:7).

3 The website, to this day, contains many representations that Stavatti is a "real"
4 aerospace company. (Doc. 68-5, at 2-6). In particular, the website stated, and still states,
5 "Stavatti generates revenues and net shareholder earnings through the design and
6 production of major fixed wing aircraft and aerospace vehicles, like Lockheed Martin and
7 Boeing." (Doc. 68-5, at 2); (Doc. 68-20, at 2). The website details business models, core
8 values, and organizational information, as well as the employees and teams that work at
9 Stavatti. (Doc. 68-5, at 2-6). There are also references to the business operations,
10 importantly portraying Stavatti as a "defense articles producer." (Doc. 68-5, at 4).
11 However, in reality, Stavatti Aerospace has never manufactured an aircraft, and it does
12 not have any employees. (Doc. 68-3, at 4:23-25 and 39:6-10) (showing that Stavatti
13 Aerospace did not have any employees based on the definition that "an employee is
14 somebody who's a wage earner at the organization"); (Doc. 68-18, at 6:5-7) (stating that
15 Mr. Colvin had not seen Stavatti manufacture an aircraft during his employment); (Doc.
16 68-21, at 3:17-38:2 and 5:19-24) (showing that while a deposit may have been made for
17 an aircraft or there were talks on large purchase agreements, none of the opportunities
18 have ever manifested, and therefore no aircraft has been manufactured by Stavatti
19 Aerospace).

20 However, Mr. Colvin attempts to argue that he provided PPM's to investors, which
21 only indicated a "*program* or plan to manufacture an aircraft." (Doc. 74, at 5:25-6:2)
22 (emphasis in original). Mr. Colvin had a duty as an officer of Stavatti Aerospace and as
23 an active individual in raising funds for Stavatti Aerospace to ensure that Stavatti
24 Aerospace was not making misleading statements on any platform, including the website.
25 (Doc. 68-6, at 2); (Doc. 68-2, 8, at No. 21). As a public facing website, it is highly common
26

1 and reasonable for potential investors to view the website, even if they were given the
 2 PPM, prior to providing any loans. (Doc. 68-5, at 2); (Doc. 68-20, at 2). Mr. Colvin did
 3 not exercise reasonable care, and he could have discovered Stavatti Aerospace's false
 4 statements if he had viewed the website. Therefore, Mr. Dimitrov respectfully requests
 5 this Court find that Mr. Colvin did not exercise reasonable care to recover false statements
 6 or omissions by Stavatti Aerospace.

7 **f. Mr. Colvin Cannot Delegate his Duty of Care to Stavatti Aerospace on**
 8 **an Unrelated Third-Party**

9 As an agent, Mr. Colvin, had a duty of good faith, duty of loyalty, and duty of care
 10 to Stavatti Aerospace. *In re Sky Harbor Hotel Props.*, 246 Ariz. 531, 533, ¶ 7, 443 P.2d
 11 21, 23 (Ariz. 2019) ("Partnerships, joint ventures, and corporations are all owed fiduciary
 12 duties by those empowered to act on behalf of such businesses.") (internal citations
 13 omitted). A duty of care depends on "whether a corporate officer or director 'use[d] that
 14 amount of care which ordinarily careful and prudent men would use in similar
 15 circumstances.'" *See Polsky v. Ramnani*, 2018 WL 5917903, at * 3 (C.D. Dist. Cal. June
 16 4, 2018). "[A] nondelegable duty is an affirmative obligation to ensure the protection of
 17 the person to whom the duty runs." *See Meyer v. Holley*, 537 U.S. 280, 290, 123 S.Ct.
 18 824, 831, 154 L.Ed.2d 753 (2003) (citing *Gen. Building Contractors Assn., Inc. v.*
 19 *Pennsylvania*, 458 U.S. 375, 396, 102 S.Ct. 3141, 73 L.Ed.2d 835 (1982)); *see also Holley*
 20 *v. Crank*, 258 F.3d 1127, 1131-32 (9th Cir. 2001) (referring to an owner's or officer's
 21 duties not to discriminate under the Fair Housing Act of 1968 as non-delegable).

22 In the instant case, it was Mr. Colvin's responsibility to raise funds for Stavatti
 23 Aerospace. (Doc. 68-6, at 2); (Doc. 68-2, 8, at No. 21). Part of that duty is ensuring
 24 potential investors are provided materials with true and accurate information. Mr. Colvin
 25 attempts to place blame on Mr. Chacon for not providing the PPM to Mr. Dimitrov. (Doc.
 26

74, at 5:1-2). Mr. Colvin argues that he gave Mr. Chacon the PPM to give to potential investors. (Doc. 74, at 5:1-2). However, Mr. Colvin had the non-delegable duty of care to Stavatti Aerospace to ensure the PPM was being distributed to investors and securities laws were being complied with. *Holley*, 258 F.3d at 1131-32. Mr. Colvin failed to do so and instead relied on an unrelated third-party to provide the information to Mr. Dimitrov. (Doc. 74, at 5:1-2). Therefore, Mr. Dimitrov respectfully requests this Court find that it was Mr. Colvin's responsibility to ensure Mr. Dimitrov was given the PPM.

III. Mr. Colvin Acted Recklessly

In Arizona, the intentional or reckless sale of an unregistered security is an offense that can show a pattern of racketeering. *See* A.R.S. § 13-2301(4). Generally, an action is reckless when "a person is aware of and consciously disregards a substantial and unjustifiable risk that the result will occur or that the circumstance exists. The risk must be of such nature and degree that disregard of such risk constitutes a gross deviation from the standard of conduct that a reasonable person would observe in the situation." *See* A.R.S. § 13-105(9)(c).

Mr. Colvin's argument that he exercised reasonable care and could not have known of any false or misleading statements of Stavatti Aerospace is false. At all times, Mr. Colvin acted recklessly. Mr. Colvin acted recklessly when he engaged a third-party to provide material documents to Mr. Dimitrov. (Doc. 74, at 5:1-2); *see* A.R.S. § 13-105(9)(c). By doing so, Mr. Colvin ran the substantial and unjustifiable risk that any necessary disclosures required by securities law would not be provided to Mr. Dimitrov. *See* A.R.S. § 13-105(9)(c). As an officer of Stavatti Aerospace, Mr. Colvin was required to ensure the PPM was delivered to Mr. Dimitrov, especially since his role was a fundraiser for Stavatti Aerospace and he was spearheading the Promissory Notes. *See*

1 A.R.S. § 13-105(9)(c). Therefore, Mr. Dimitrov respectfully requests that this Court find
2 that Mr. Colvin was involved in the reckless sale of securities.

3 **IV. There is no Genuine Issue of Material Fact**

4 Mr. Colvin has not introduced any evidence to demonstrate a genuine issue of
5 material fact. *See Nissan Fire & Marine Ins. Co., Ltd., v. Fritz Cos., Inc.*, 210 F.3d 1099,
6 1103 (9th Cir. 2000) (internal citation omitted). In fact, all Mr. Colvin establishes in his
7 Response is that he was not as involved with the investors he was soliciting for funds as a
8 reasonable officer would have been. (Doc. 68-6, at 2); (Doc. 68-2, 8, at No. 21). Mr.
9 Colvin did not do his due diligence to discover any false or misleading statements on
10 Stavatti Aerospace's website. In fact, Mr. Colvin does not address Mr. Dimitrov's
11 arguments related to the false statements on Stavatti Aerospace's website at all. (Doc. 74).
12 Further, Mr. Colvin could not have been bothered to ensure any and all material
13 documents, including the PPM, were actually given to Mr. Dimitrov prior to execution of
14 the Promissory Note. When "the nonmoving party fails to produce enough evidence to
15 create a genuine issue of material fact, the moving party wins the motion for summary
16 judgment." *See Nissan Fire & Marine Ins. Co., Ltd., v. Fritz Cos., Inc.*, 210 F.3d 1099,
17 1103 (9th Cir. 2000) (internal citation omitted).

18 Mr. Colvin has failed to provide evidence of genuine issue of a material fact for
19 Mr. Dimitrov's A.R.S. § 13-2314.04(A) claim. The evidence is clear. Mr. Colvin
20 knowingly and intentionally participated in a scheme or artifice to defraud when he created
21 and provided Mr. Dimitrov with a Promissory Note including a guaranteed Principal
22 return and profit, which he knew or should have known Stavatti Aerospace would not be
23 able to repay. (Doc. 68-13, at 2); (Doc. 68-2, at, No. 1); (Doc. 68-18, at 6:5-7) (stating that
24 Mr. Colvin had not seen Stavatti manufacture an aircraft during his employment); (Doc.
25 68-10, at 2-4) (showing that Stavatti Aerospace received no income other than from rent,
26

1 with the exception of 2022, where Stavatti Aerospace received a minimal amount of
 2 \$5,100.00 from receipts or sales). Mr. Colvin did so when he failed to uncover the false
 3 representations or omissions on the Stavatti Aerospace website. (Doc. 68, at 14:17-15-17).
 4 Mr. Colvin intentionally or recklessly sold unregistered securities when he provided the
 5 Promissory Note, which he created, to Mr. Dimitrov because he knew or should have
 6 known that the Promissory Note was a security, which was not a registered security, as
 7 required by state and federal securities laws. (Doc. 68-3, at 21:13-22:13); (Doc. 68-13, at
 8 2); *see* A.R.S. § 44-1801; *see also State v. Tober*, 173 Ariz. 211, 213, 841 P.2d 206, 208
 9 (Ariz. 1992). Mr. Colvin intentionally or recklessly sold fraudulent securities to Mr.
 10 Dimitrov using the Promissory Note, by facilitating and refusing to uncover Stavatti
 11 Aerospace's false statements and omissions. (Doc. 68, at 14:17-15-17). As such, Mr.
 12 Colvin has engaged in racketeering pursuant to A.R.S. § 13-2314.04.

13 Therefore, Mr. Dimitrov respectfully requests this Court find that Mr. Colvin is
 14 liable for racketeering and grant Mr. Dimitrov's Motion.

15 **V. CONCLUSION**

16 For the foregoing reasons, Mr. Dimitrov respectfully requests the Court grant
 17 summary judgment on against Mr. Colvin on his A.R.S. § 13-2314.04 claim. Mr. Dimitrov
 18 seeks an award of his Principal with pre-judgment interest and treble damages, and
 19 reasonable attorneys' fees and costs pursuant to A.R.S. § 13-2314.04(A).

20 **DATED** this 23rd day of September 2025.

21
22 **ENARA LAW PLLC**

23 By: */s/ Ross. P. Meyer*

24 Ross P. Meyer

25 Morgan E. Silva

26 Attorneys for Plaintiff

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

CERTIFICATE OF SERVICE

I hereby certify that on the 23rd day of September 2025, a copy of the foregoing was transmitted electronically to the CM/ECF filing system for filing and transmittal along with copies transmitted to all counsel of record, if any, and any *Pro Se* Parties, via the CM/ECF system.

Terrance D. Dunmire, Esq
Law Offices Of Terrance D Dunmire
8701 E. Vista Bonita Drive, Suite 220
Scottsdale, Arizona 85255
Telephone: (602) 264-1300
tdunmire@parkwestpartners.com

Nino Abate, Esq
Law Offices Of Nino Abate, PLC
300 W. Clarendon Ave., Suite 130
Phoenix, Arizona 85013
Telephone: (480) 314-3304
nino@abatelaw.com

By: Virginia Olivas-Snyder